

MINISTRY OF HEALTH.

MEMORANDUM BY THE GOVERNMENT ACTUARY ON
THE WASHINGTON DRAFT CONVENTION CONCERNING
THE EMPLOYMENT OF WOMEN BEFORE AND
AFTER CHILDBIRTH.

Presented to Parliament by Command of His Majesty.



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MEMORANDUM BY THE GOVERNMENT ACTUARY ON THE WASHINGTON DRAFT CONVENTION CONCERNING THE EMPLOYMENT OF WOMEN BEFORE AND AFTER CHILDBIRTH.

Scope of the Proposals.

1. The Draft Convention provides that no woman (whether married or single) shall be permitted to work, during the six weeks following her confinement, in any industrial or commercial undertaking as defined in Article 1, and, further, that, if she is employed therein, she shall have the right to leave her work upon production of a medical certificate stating that her confinement will probably take place within six weeks.

While a woman is absent from her work in the circumstances named above she is to be paid benefits sufficient for the full and healthy maintenance of herself and her child, and is, in addition, to receive free attendance by a doctor or certified midwife. The amount of the benefit is to be determined by the competent authority in each country, and the cost of the scheme is to be defrayed out of public funds unless otherwise provided under a system of insurance.

2. Broadly speaking, the classes who would be entitled to benefits under the Convention are the same as those who come within the scope of the National Health Insurance Scheme, with the exception apparently of professional women, *e.g.*, teachers, domestic servants in private establishments and agricultural workers.* In addition to these classes, certain others who are excepted from Health Insurance would be included, *e.g.*, non-manual workers earning over 250*l.* per annum. As regards married women, I estimate that the number of women of child-bearing age who would be brought within the scope of the scheme would be approximately as shown below; for comparison, figures are given indicating the number of women, belonging to the industrial classes, who would be excluded. The figures given must not be taken as precise. Much depends on the definition of "industrially employed." If the records of National Health Insurance are correctly interpreted many married women are "in and out" of employment from time to time and the number included in the scheme under any workable definition that might be devised would probably be greater than would be inferred from an estimate necessarily based upon censal figures.

(1) Married women entitled to benefits under Convention—

Employed women (mainly insured persons)	-	-	460,000
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(2) Married women (belonging to industrial classes) not entitled to benefits—

(a) Wage-earners:

Teachers, Domestic servants, &c.	-	-	40,000
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(b) Not wage-earners:

Wives of insured men	-	-	-	3,540,000
Others	-	-	-	480,000

Total	-	-	-	4,060,000
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From the foregoing statement and making due allowance for the qualifications mentioned above it will properly be concluded that of the industrial classes only a small proportion of the married women would be within the scheme. As regards single women, about one-half of the unmarried mothers are domestic servants, and would be excluded from the benefits of the scheme.

* It is not clear from the Convention whether outworkers come within the definition of employment; the administration of benefits in their case would be practically impossible. Further, the meaning of the limiting words "other than an undertaking in which only members of the same family are employed" are difficult to understand. Presumably the intention was that, in small businesses, members of the family should be excluded, but the position is not clear where, in such a case, there are other employees in addition to members of the employer's family.



3. The average number of births in a year in the United Kingdom, under normal conditions, is about 1,100,000 of which about 970,000 are in the industrial classes. Assuming it to be possible to apply a reasonable test of qualification the number of births among industrially employed women (as defined in Article 3 of the Convention), taking married and single women together, would probably be about 120,000.

4. The Convention lays down that in addition to the provision of free medical attendance a woman is to be paid benefits for the maintenance of herself and her child for a specified period. The title to benefits is governed solely by the employment of the mother and is independent of the position of the father and of his ability to meet the expenses of the confinement or to maintain his wife and child; in effect the mother and child are looked upon as forming a separate economic unit whether or not the mother is a married woman.

From this it would appear open to question whether in practice the benefits could be limited to employed women, and it seems not unreasonable to assume that following the adoption of the Convention there would spring up an immediate and an insistent demand for the extension of the benefits—or at any rate a part of them—to mothers of every social class irrespective of any question of employment. Such a demand would be peculiarly difficult to resist. The home-keeping mother would be alleged—and with good reason—to be equally deserving of the assistance of the State with the woman who had continued in industrial employment. Her claim to the bounty of the State would certainly be urged as greater than that of the mother of an illegitimate child.

5. It is proposed that, in every case where the grant becomes due, benefit shall be paid for six weeks following confinement, and that it shall be open to the woman to give up employment at any time within six weeks of the expected date and commence to draw benefit forthwith. Having in mind that the benefit is to be sufficient for the full and healthy maintenance of parent and child, it is clear that benefit would be claimed in nearly every case and for the full period. This implies, of course, 12 weeks' benefit in each case.

Under the Convention a uniform rate of benefit is not laid down, but the amount is to be determined separately in each country. Opinions, no doubt, differ widely as to the appropriate sum which would represent the cost of full maintenance at the present time in this country. Assuming, however, that the benefit were fixed at no more than 20s. a week, the cost for each woman would amount to 14*l.* including (say) 2*l.* for medical expenses.

Test of Employment.

6. The Draft Convention provides that a woman shall be paid benefit "while she is absent from her work" during specified periods. The difficulty of determining whether or not a particular woman, who leaves her work some time before her confinement, has definitely given up her status as a wage earner has apparently been overlooked by the framers of the Convention. It goes, however, to the root of the matter. Presumably the scheme is intended to secure benefits only to women who are normally wage earners and to recompense such women for the definite pecuniary loss incurred by their being withdrawn temporarily from their employment by reason of their pregnancy and confinement. But whether a particular married woman will or will not return to work after her forthcoming confinement it is impossible to determine, and indeed, in many cases, unreasonable to ask. Nevertheless some test would have to be applied if the right to benefit depended on the settlement of the point. The choice of a test which is equitable and at the same time easy to work has in similar circumstances in the past proved an insuperable difficulty.

7. On this question the history of National Health Insurance is most instructive; the original provisions of the Act of 1911 broke down in practice very largely owing to the impossibility of deciding whether a woman who had been employed before marriage and had left work prior to the birth of her child had ceased to be industrially employed or was merely away from work for the time being. In the latter event certain benefits became payable; and declarations that the woman had only left work for the period of her confinement were very numerous. When these declarations were put to the test of subsequent events it was found that in great numbers of cases the woman had never returned to work. It was a fair inference that she never intended to do so. The question was fully examined by the

Departmental Committee on Approved Society Finance and Administration, and their findings will be found in paragraphs 128 to 137 of their Further Report (Cd. 8396). The difficulties of ascertaining "intention" in the case of National Health Insurance were found to be so great that the benefits for women who left work on or after marriage had, in consequence, to be completely recast, and all reference to this subject avoided. The difficulty which was encountered in the administration of Health Insurance, where the amount of money involved was relatively small, would be magnified in the case of a scheme providing benefits amounting to several pounds. In practice it would mean that in many cases women would be drawing payments on condition that they refrained from working though in fact they had no intention to go back to work in any event, that is to say, they would receive benefit merely because they had previously been employed.* Similar difficulties would arise on the qualifications of the "in and out" class referred to in paragraph 2 above.

8. I reach the conclusion, therefore, that a test based on the woman's "intention" would be quite impracticable. I know of no means of avoiding this difficulty, and of protecting the Exchequer from the payment of benefits to women who had definitely left work. The possession of a stamped insurance card would be no criterion, for there are no means by which "self-stamping" can be prevented.

9. If effective means of protection could be devised, the cost of the scheme would be about 1,700,000*l.* a year, subject to two important conditions:—

- (i) That the benefit did not draw into the labour market a large number of married women who, otherwise, would never have sought industrial employment. If this should happen the cost above suggested might easily be doubled. Other untoward consequences would also follow. Competition for work would increase unemployment, promote casualisation, and, in the long run, lower wages.
- (ii) That the provision of the new benefit was not followed by an increase of illegitimacy. The provision of an unconditional subsidy to maternity of employed women, represented by a benefit of several pounds, may have reactions, in this connection, which should not be overlooked.

If the benefits were universal at 14*l.* for each birth the cost would be over 15,000,000*l.* a year.

Relation of the Proposals to National Health Insurance.

10. As explained above the majority of the women included in the proposals would be insured persons, but there would be certain classes within the scheme but outside National Health Insurance, and, on the other hand, some classes of insured women (*e.g.*, domestic servants) would be excluded from the scheme.

Under the Act of 1920 an employed married woman is entitled to receive 4*l.* from National Health Insurance funds on her confinement and a sickness benefit of 12*s.* a week during any period during which she is certified as incapable of work—whether directly or indirectly due to her pregnancy—save during the four weeks immediately following the date of confinement. She may draw sickness benefit before confinement for incapacity due solely to her pregnancy, or she may draw it, after the four weeks following confinement, for so long as her incapacity continues, subject of course to the general limit of 26 weeks after which disablement benefit is paid. It should be noted that under the statutory provisions relating to the Women's Equalisation Fund societies are recouped, out of State Funds, their expenditure on sickness benefit to pregnant women. (From investigations made in 1914 and 1915 it was found that the average amount of sickness claimed during the last 7½ months of pregnancy amounted to no more than 1½ to 1¾ weeks, 70 per cent. of the women making no claim at all, and the remainder being paid benefit for fairly long periods.)

11. In the event of the Convention being ratified the question of overlapping benefits would have to be dealt with, even if for no other purpose than to avoid an

* An illustration of the point here discussed may be taken from the Report mentioned above (paragraph 132). In a case there quoted there being a certain advantage under the Act to women who only left work temporarily, 627 women of a number who had left work on marriage declared their intention to resume work. But in fact, 425 of them never did so, and of these no less than 404 drew the benefit which was only available for women who had retained their status of "employed contributors."

enormous increase in the claims for sickness benefit, and it would be necessary to secure that no sickness benefit was payable when benefits were being paid under the scheme. On this point new administrative difficulties would arise; societies would constantly have to keep the point in view, and it is difficult to see how they could protect themselves against irregular claims for sickness benefit without subjecting a great proportion of their women claimants to a particularly objectionable type of enquiry.

12. A further point would arise as to whether maternity benefit under the National Insurance Acts should be continued in the case of women who were receiving the benefits of the new scheme. This involves large issues. If the scheme could on the one hand be limited to employed women and on the other be extended to include all women who are at present contributors under the Acts, the 2*l.* maternity benefit provided by the woman's own insurance could be merged in the new scheme. The maternity benefit provided under her husband's insurance would, however, have to continue. Obviously the benefits provided under a man's insurance could not be varied according to the industrial status of his wife. Such a provision was, in fact, in the original Bill of 1911, but was removed when the Bill came before the House of Commons.

If, on the other hand, the benefit were universal all maternity benefits could be removed from the Health Insurance Scheme, and the State contribution to that scheme modified accordingly. This would be the reasonable course, but the fact must be recognised that it would arouse the strong opposition of the Approved Societies.

Method of providing Cost of Scheme.

13. The Convention lays down that the benefits are to be provided either out of public funds or by means of a system of insurance. I have accordingly considered the question whether it would be practicable to provide for the benefits of the scheme by an addition to the contributions payable under the National Health Insurance Acts. If the benefit were limited to employed women it would not be possible to place any part of the cost of the scheme on men, since only one-tenth of the wives of insured men are themselves employed and insured. Equally it would be impossible to impose a general increase of contribution on all insured women, about six-sevenths of whom are unmarried and the great majority of them with little probability of continuing in employment after marriage.

If the whole of the cost could be recovered from married women of child-bearing ages, it would be necessary to increase their contributions from 9*d.* to about 2*s.*; apart from the magnitude of the sum it would be administratively impossible for the insurance contributions of married women (and even then only certain of them) to be different from those of other insured women.

14. If the new benefit were made universal the cost of it could be provided, as regards insured persons, by a general increase of the contributions of both men and women by something like 4*d.* a week. This would not include provision for additional expenses of administration, or meet the difficulty of the uninsured class, including the wives of the large number of industrially employed men who are in "excepted" employments.

Any proposal to increase the contributions to this extent for the purpose under discussion would probably meet with the strong opposition of the insured, and of the employers also if it were proposed to divide the burden. Even more serious opposition would come from those who are interested in the subject from the point of view of public health, and who would urge that the beneficial results expected by them from the co-ordination of money grants and services in kind would be lost, if the administration of the benefit were in the hands of Approved Societies.

ALFRED W. WATSON,
28th June, 1920.

